

Assembly Constitutional Amendment

No. 7

**Introduced by Assembly Member Dutra
(Principal coauthor: Assembly Member Wolk)**

January 14, 2003

Assembly Constitutional Amendment No. 7—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Article XIX C thereto, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

ACA 7, as introduced, Dutra. Transportation funding: sales and use tax.

The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of $\frac{2}{3}$ of the voters of the city, county, or special district voting on that tax, and prohibits these entities from imposing an ad valorem tax on real property or a transactions or sales tax on the sale of real property. Existing statutory provisions and provisions in the California Constitution either impose or authorize the imposition of state or local sales and use taxes upon the gross receipts from the sale within the taxing jurisdiction of, or the storage, use, or other consumption in this jurisdiction of, tangible personal property.

This measure would authorize a county, a city and county, and a regional transportation agency, as defined, notwithstanding any other provision of the California Constitution, to impose an additional sales and use tax for a period of 20 to 30 years, as specified, at a rate of 0.5% exclusively for transportation purposes within the jurisdiction of the county, city and county, or regional transportation agency if the

additional tax is approved by 55% of the voters of the jurisdiction voting on the proposition to impose the tax.

This measure would require the revenues derived from these taxes to be deposited in the Local Transportation Infrastructure Account, which would be created in the State Transportation Fund. The measure would require the State Board of Equalization to collect and administer the tax revenue. The measure would require moneys in the account that were collected in each county, city and county, or regional transportation agency, less administrative costs and refunds, to be allocated by the State Board of Equalization to the county, city and county, or regional transportation agency imposing the tax, and to be used for specified transportation purposes.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2003–04 Regular
3 Session commencing on the second day of December 2002,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California that the
6 Constitution of the State be amended by adding Article XIX C
7 thereto, to read:

8
9 ARTICLE XIX C {/CNH}

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11
12 TRANSPORTATION IMPROVEMENT AND
13 MAINTENANCE ACT {/CNH}

14
15 SECTION 1. (a) Notwithstanding Section 4 of Article XIII A,
16 Section 2 of Article XIII C, or any other provision of this
17 Constitution, for the exclusive purpose of funding local and
18 regional transportation planning, research, design, construction,
19 operation, maintenance, and rehabilitation, and environmental
20 mitigation related to the impacts of transportation projects, a
21 county, a city and county, or a regional transportation agency may,
22 with the approval of 55 percent of the voters of the jurisdiction
23 voting on the proposition, impose the following sales and use tax
24 within its jurisdiction:



1 (1) For the privilege of selling tangible personal property at
2 retail, a sales tax upon all retailers at the rate of one-half of 1
3 percent of the gross receipts of any retailer from the sale of all
4 tangible personal property sold at retail in this state.

5 (2) An excise tax upon the storage, use, or other consumption
6 in this state of tangible personal property purchased from any
7 retailer for storage, use, or other consumption in this state at the
8 rate of one-half of 1 percent of the sales price of the property.

9 (b) (1) If a transactions and use tax of limited duration,
10 imposed for transportation purposes or general purposes, is not in
11 effect in the jurisdiction of a county, a city and county, or a regional
12 transportation agency on the date that a tax described in
13 subdivision (a) is approved by 55 percent of the voters of the
14 jurisdiction voting on the proposition to impose the tax, the tax
15 described in subdivision (a) is imposed for a period of 20 years
16 commencing with the first calendar quarter that commences more
17 than 90 days after the effective date of the approval of the tax by
18 the voters.

19 (2) If a transactions and use tax of limited duration, imposed for
20 transportation purposes or for general purposes, is in effect in the
21 jurisdiction of a county, a city and county, or a regional
22 transportation agency on the date that a tax described in
23 subdivision (a) is approved by 55 percent of the voters of the
24 jurisdiction voting on the proposition to impose the tax, the tax
25 described in subdivision (a) is imposed for a period of not more
26 than 30 years commencing with the first day upon which the
27 transactions and use tax is repealed or otherwise becomes
28 inoperative.

29 (3) (A) Except as otherwise provided in paragraphs (1) and
30 (2), the tax described in subdivision (a) shall be imposed in a
31 county, a city and county, or a regional transportation agency in
32 addition to any other state or local sales and use tax or transactions
33 and use tax imposed in that jurisdiction in accordance with law.

34 (B) For purposes of this article, a transactions and use tax
35 imposed for transportation purposes does not include any portion
36 of a local sales and use tax that is imposed pursuant to the
37 Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5
38 (commencing with Section 7200) of Division 2 of the Revenue and
39 Taxation Code), or its successor.

(4) The tax described in subdivision (a) shall be administered in the same manner as the tax imposed pursuant to the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), or its successor, and shall be subject to any exemption from taxation set forth in that law.

(c) For purposes of this section, “regional transportation agency” means all of the following:

(1) The Metropolitan Transportation Commission created by Section 66502 of the Government Code, as that statute read on January 1, 2002.

(2) The Los Angeles County Metropolitan Transportation Authority, or any successor to that authority.

(3) The Orange County Transportation Authority.

(4) Any local or regional transportation entity designated by statute as a regional transportation agency.

(d) The tax described in subdivision (a) shall be collected and administered by the State Board of Equalization, or its successor agency. The revenues derived from that tax shall be deposited in the Local Transportation Infrastructure Account, which is hereby created in the State Transportation Fund. The State Board of Equalization shall allocate the moneys in that account no less frequently than on a quarterly basis as follows:

(1) To the State Board of Equalization for its costs of collection and administration.

(2) For the payment of refunds of amounts of tax improperly collected pursuant to this section.

(3) The balance to each county, city and county, or regional transportation agency of the remaining amount of those tax revenues that were collected with respect to a sale, use, storage, or other consumption of tangible personal property that occurred in the jurisdiction of the county, city and county, or regional transportation agency imposing the tax.

(e) All revenues received by a county, a city and county, or a regional transportation agency pursuant to this section shall be expended exclusively for local and regional transportation planning, research, design, construction, operation, maintenance, and rehabilitation, and for environmental mitigation related to the impacts of transportation projects.



1 (f) Revenues derived from the tax imposed pursuant to
2 subdivisions (a) and (b) are not General Fund proceeds of taxes
3 within the meaning of Article XVI.

4 (g) Allocations made from the Local Transportation
5 Infrastructure Account, and the expenditure by a county, a city and
6 county, or a regional transportation agency of revenues received
7 from that account, are not “appropriations subject to limitation”
8 within the meaning of Article XIII B.

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